



## Dominican Sisters of Hope

July 23, 2007

Christopher Cox, Chair  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Commissioner Cox:

On behalf of the Dominican Sisters of Hope, I am writing to oppose the suggestion that the right of shareholders to sponsor advisory shareholder resolutions either be eliminated or further restricted. We urge the SEC to drop this concept before it gets to the proposal stage.

Since the 1970s, the Dominican Sisters have been active shareholder advocates through letters and dialogue with companies, sponsorship of shareholder resolutions and by voting proxies. For decades, this process has been a central means for formalizing communication between concerned investors and management on social, environmental and governance issues. We have integrated environmental, social and governance issues into our investment decisions.

As an institutional investor, the Dominican Sisters own shares of some three hundred large, mid and small cap companies. We strive to invest responsibly AND to hold management accountable for its impact on the environment e.g. GE and the PCBs in the Hudson; its impact on human rights e.g. Starwood Hotels and its efforts toward creating an atmosphere which prevents trafficking of children for sex and good corporate governance e.g. instituting sound performance goals to reward executive management.

One idea discussed was that advisory resolutions would be disallowed or further restricted but binding resolutions, such as by-law amendments, would be permitted. More than 95% of the shareowner resolutions filed in the last 35 years have been "advisory." They have had a profound and identifiable impact on business thinking and decision making in corporate boardrooms. In a manner of speaking, managements and Boards of Directors have taken voluntary actions. Legislation has NOT been needed.

Also under discussion is the level of shares necessary to own in order to file resolutions. At present an investor must have owned \$2,000 worth of shares for a year. An increase to keep up with inflation to \$5,000 or \$10,000 may be acceptable, but if the minimum number of shares to file rises to \$100,000 or \$250,000 you have essentially destroyed the right of small investors to be involved in sponsoring resolutions.

The voting threshold for resubmitting resolutions presently at 3% for the first year, 6% for the second and 10% for the third should be maintained. If the SEC reverts to a past proposal to establish thresholds at 10%, 20% or 30% for resubmissions, new issues which typically take some time to gain voting support

